

DOCUMENT RESUME

ED 390 142

EA 027 249

AUTHOR Bond, Richard; Giles, Corrie
TITLE Managing Reform with a Contracting Resource Base: A Persistent Administrative Dilemma.
PUB DATE Sep 95
NOTE 15p.; Paper presented at the European Educational Research Conference (Bath, England, United Kingdom, September 14-17, 1995).
PUB TYPE Speeches/Conference Papers (150) -- Reports - Evaluative/Feasibility (142)
EDRS PRICE MF01/PC01 Plus Postage.
DESCRIPTORS Boards of Education; *Budgets; *Educational Equity (Finance); Educational Finance; Elementary Secondary Education; Equal Education; Finance Reform; Financial Exigency; Fiscal Capacity; Foreign Countries; *Resource Allocation; *Retrenchment; *School Support; *State Aid
IDENTIFIERS *Wentworth County Board of Education ON

ABSTRACT

Canadian education has traditionally been financed by two major sources: (1) transfer payments from the federal government to the provinces; and (2) residential and business property tax revenues levied by municipalities. The Canadian federal government has recently announced a planned cut of 750 million dollars a year for 3 years in transfer payments for education to the provinces. As a result, school board administrators must make stringent use of budgeting resources that have also recently been reduced at the provincial level. This paper examines the impact of incremental resource reductions on the Wentworth County Board of Education (Ontario), with a focus on maintaining teacher support and service quality in schools while retaining equity of educational provision. It is recommended that Ontario carefully restructure the way in which the resource interface is managed at provincial, school board, and school levels. Measures taken at the school board level will not deliver efficiency, effectiveness, economy, and equity. The continuation of existing administrative structures will result in an unraveling of educational provision, disparities in both the level and quality of services for students, and an inability to address a growing range of professional issues related to equity. The appendix contains the Wentworth County Board of Education budget for fall 1995. (LMI)

* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *

**Managing reform with a contracting resource base:
A persistent administrative dilemma.**

by

Richard Bond B.A., M.A., Ph.D.

Faculty of Education, Brock University, Ontario, Canada.
Phone: (905) 689-3024; Fax: (905) 689-9080; E-mail: rbond@dewey.ed.brocku.ca

and

Corrie Giles B.Ed., M.Sc., Cert.Ed.

Educational Management and Administration Consultant
Phone: (905) 689-9248; Fax: (905) 689-9483; E-mail: colgiles@netaccess.on.ca

Paper presented at the European Educational Research Conference

University of Bath, England, September 14-17 1995

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION
CENTER (ERIC)

☒ This document has been reproduced as
received from the person or organization
originating it.

☐ Minor changes have been made to
improve reproduction quality.

• Points of view or opinions stated in this
document do not necessarily represent
official OERI position or policy.

"PERMISSION TO REPRODUCE THIS
MATERIAL HAS BEEN GRANTED BY

R. Bond
C. Giles

2

TO THE EDUCATIONAL RESOURCES
INFORMATION CENTER (ERIC)."

BEST COPY AVAILABLE

EA 027249

Abstract

It has been the practice for education in Canada to be financed from two major sources, (a) transfer payments from the federal government to the provinces accounting for about eighty per cent of educational budgets and (b) residential and business property tax revenues levied by municipalities. The federal government provides funding from a range of sources such as income and excise taxes levied on Canadian citizens and returned to them for funding of primary, secondary and post-secondary education. The federal government has, as past practice, imposed few conditions on the manner in which funds are allocated to school districts by the provinces. In consequence, budgetary constraints have been relatively few and new directions in education have been pursued with equanimity by educational leaders.

However, the Canadian federal government has recently announced a planned cut of \$750 million a year for three years in transfer payments for education to the provinces. Municipal property revenues are unlikely to compensate for this ongoing funding shortfall. As a result school board administrators will be compelled to think "lean and mean" in budgeting resources which have also recently been reduced at provincial level by an incoming Progressive Conservative government. Consequently, there is growing concern among administrators and professional educators as to the likely impact of these developments in Ontario.

In this paper the impact of incremental resource reductions on the Wentworth County Board of Education (Ontario) are examined. Proposals are put forward aimed at improving the management of educational resources in Ontario, in particular means of supporting teachers and service quality in schools, and yet retaining equity of educational provision.

Introduction

The past three years have been difficult for educators in Ontario as a growing provincial budget deficit precipitated the recently deposed New Democratic Party (Socialist) government to cut the level of resources made available to education. Running in parallel with reducing budgets was a growing reluctance on the part of local tax payers to fund resource shortfalls without visible signs of improvement to, and greater accountability on the part of the education service for a more effective, efficient and economic education system. The following outlines the most important features affecting the administration of education in the province of Ontario.

The professional response to the provincial crisis

Although public perceptions of a costly and failing education service were similar to those which existed in England and Wales ten years ago, the political response to the pressure for reform was, at least initially, markedly different. A Royal Commission was established to canvass a wide body of opinion in the province, an approach which respected the professional views of educators as well as the very important views of parent groups and other stakeholders. The final report produced by the Royal Commission - "For the Love of Learning" (MOET, 1995) - was a balanced document which achieved wide support from the provincial parliament, interest groups and the media. In broad terms, the recommendations of the Royal Commission Report focus upon four engines of change:

- * A new kind of **school-community alliance** which recognises that teachers alone can't educate a child. School community councils are to be established with an emphasis upon developing the community's sense of responsibility for the education of children.
- * **Early childhood Education** beginning at the age of three to lay firm foundations for the future and to help mitigate the anticipated lack of nurturing presumed likely to occur in a rapidly changing society.
- * Establishing a **College of Teachers** to regulate professional standards and extending pre-service education to two years while revising existing arrangements for continuing professional development and preparation for principalship.
- * Recognising that schools, school structures and schooling need to be very different to prepare students for the world of work and the leisure of the future in a world increasingly reliant upon **information technology**.

In sharp contrast to the approach to reform adopted by the British government, the report portrayed a genuine wish to maintain an education service which is equitable for all, as well as a wish to work with educational professionals to create schools which are

"The kinds of organisations most likely to prosper in the post-industrial, post-modern world.....ones characterised by flexibility, adaptability, creativity, opportunity, collaboration, continuous improvement, a positive orientation toward problem-solving and commitment to maximising their their capacity to learn about their environment and themselves. (Hargreaves, 1994, p.63).

Rapidly changing circumstances

Two key changes occurred very soon after the release of the Report, and these provide an excellent example of how the good intentions of concerned professionals can be swiftly de-railed by changing economic and political realities. Firstly, in Spring 1995 the federal government of Canada announced it could no longer afford to continue distributing massive financial subsidies to provincial education programs. Ontario's share of reduced transfer payments of \$750 million a year for three years will be substantial as it is the most populated of the provinces. In addition, from now on all transfer payments will be received by provincial treasuries as **block grants** which are not earmarked for particular elements of provincial spending. Accordingly, provinces will decide the disposition of transfer funds to more closely reflect their particular resource priorities.

Secondly, the situation was compounded in July 1995 when the newly elected Conservative government of Ontario announced further provincial budget reductions to the tune of \$16 millions to the universities (of which there are fifteen); \$6 millions to the Colleges of Applied Arts and Technology (of which there are twenty four) and \$36 millions to the school boards (of which there are one hundred and seventy two). As a result, at every level of education in Ontario there are serious problems emerging associated with incremental budget reductions and the pressing need to "make do with less". At the individual school board level this includes pressures on administration to deal efficiently with issues related to demographic changes, collective bargaining, building maintenance, changing classroom technology, class size, transportation, insurance and uses of a range of resources. Concurrently, school

administrators are expected to provide an acceptable quality of education to all students, and are expected to encourage, through a variety of means, a high level of classroom performance from teachers. This expectation must consider important philosophical underpinnings of the education system in Canada such as equity and equality of educational opportunity, defined and discussed in the following.

Equity and equality of educational opportunity

Challenges inherent in meeting a reduction in resources in any one of the key areas of school administration are magnified by attempts to provide fair treatment for all students. It is almost certain that while administrators may strive to 'protect the classroom' in order to maintain quality of teaching and learning, the impact of *incremental reductions* in the resourcing of the educational service seem set to erode the twin principles of *equity and equality of educational opportunity* which have traditionally been the cornerstone of Canadian educational policy. Having said that, a detailed examination of the concepts may illustrate why a *laissez faire* rather than province-wide managed reduction of resources will widen the gap between the ideal and the reality of sustaining equity and equality in the current climate in Ontario.

While there is seldom a public debate over the question of what meaning of equity should shape policies of educational finance, policies which are implemented normally reflect an *implied* concept of educational equity; in other words, all young people, within the limits set by compulsory attendance laws, should have equal educational opportunity. This of course, is nowhere near as easy as it would seem as the concept of equity in education has three major dimensions. The first is that of equal treatment of persons in like circumstances, and the second is the desirable relative treatment of persons in unlike circumstances. The third is that equity issues should permeate every aspect of policy in Canadian education in order to help create and sustain an equal and just society (Bond, 1995).

However, in resource management terms there are two types of equity. One is *horizontal equity* which may be considered as the equal treatment of equals. Within this context, administrators may provide equal access to a prescribed minimum offering. Recent official recognition of social and racial inequality, has led to the identification of the second type of equity, *vertical equity*. Within this context comes the

understanding that for equality of educational opportunity to be achieved, there must be unequal treatment of unequals. With vertical equity it is necessary to focus on the needs of *individual* students, and the types of resources necessary to meet these needs. It is this latter which requires a highly creative administrative and sensitive approach to resource management so clearly missing in the resource management approach presently emerging in the province. For example, school board administrators are faced with two dilemmas. One, they need more money to meet an increasing range of special educational needs, but financial resources from the province are being reduced instead of increased. Further, the provincial government is considering capping the ability of local government, including school boards, to raise additional revenues from local taxation. Two, an easy way of dealing with the problem would be to focus on attaining horizontal equity, but this would place administrators in the serious situation of having to deliberately ignore the identified needs of special groups and individuals.

Rural/urban contrasts

Problems associated with the concept of vertical equity are magnified when demographic and geographic differences are factored in. This is a particular issue in large countries such as Canada with sparsely populated areas, a large number of highly diverse cultures and an unequal distribution of highly urbanised and undeveloped settlements. In the province of Ontario, for example, with an area of 412,582 square miles (UK has 94,226 square miles) and 10 million unequally distributed inhabitants, there are very large differences in the resources available to students in Toronto (Lat. 43) as against Fort Severn (Lat. 56), due to distance from source, availability and cost of transport. Further, the northern Ontario culture is very different from that in the south. In fact, differences in needs among various segments of the population are acutely distinguished from one another by geography alone. With this realisation, it might need a miracle to achieve anything resembling vertical equity, and any hopes of improving on it may evaporate under the combined effects of the present and proposed constraints upon the provincial educational budget.

Equality in urban areas

This is not to say that the emerging picture in urban areas is significantly better - just very different. Achieving vertical equity in smaller geographic areas such as cities brings its own set of challenges, and yet these also needs to be accommodated in any resource management approach adopted by the province. Three examples from the City of Hamilton (population 317,000) will suffice. Firstly, there is the **complex structure** of local educational administration. The educational needs of the City are supervised by the (secular) Hamilton Board of Education, the (Roman Catholic) Separate School Board, and the Wentworth County Board of Education overseeing the needs of approximately 58,000 school children in primary and secondary schools. Secondly, the **diverse student population** - in some Hamilton schools there are as many as 45 different languages spoken, and as many as 50 national and ethnic groups. Further, in the metropolitan area there are approximately 2,500 First Nations people consisting of Mohawk, Ojibway, Chippewa and even Inuit from the Far North. Thirdly, **important cultural constraints** - while highly urbanised areas probably have more resources to provide equity, it may well be provided only within the horizontal context as the social milieu is not conducive to intense cultural diversification. Further, any attempts at vertical equity for the culturally diverse population of the City of Hamilton must place a serious burden on school budgets, one which might be intolerable even when supported by the best of intentions. For the Fall of 1995, the Wentworth County Board of Education has budgeted for \$109.5 million - \$10.9 million less than three years ago (see appendix).

The management problem at school board level

As a result of existing and proposed budget cuts, the Wentworth County Board of Education is faced with major difficulties, some of which are categorised as follows:

- * **Reduction** in teaching staff and a freeze on wages and hiring, salaries and wages from \$77.2 to \$74 millions
- * **Reduction** in resources for the Media Centre from \$0.63 to \$0.58 million
- * **Reduction** in Program Services from \$0.47 to \$0.40 million
- * **Reduction** in Regular Day School costs (furniture, equipment, computers etc.) from \$4.7 to \$4.0

millions

- * **Reduction** in Continuing and Community Education funding from \$0.2 to \$0.08 million
- * **Sustained Debt Charges and Interest** of around \$2.5 millions each year since 1991
- * **Increased Bank Charges and Interest** from \$0.01 to \$0.1 millions
- * **Total budget reduced** from \$120.4 millions in 1992 to \$109.5 millions in 1995

There is no "fat" left to trim, bearing in mind that the reduced budget has to pay for increasingly expensive services. Despite this, a further \$36 million cut is to be shared between the 172 Ontario boards. The impact will be felt in services, **particularly professional support services**, required to maintain vertical equity. Proposed cuts to **administration** are relatively minor and are as follows:

- * Business administration \$0.82 to \$0.76 millions
- * General administration \$0.49 to \$0.4 millions
- * Superintendents of Education (resource management, not salaries) unchanged since 1991 at \$0.1 millions

While it may be no-one's intent that the burden of the impact of reduced finances falls on professional support services, it is the area under the current system of incremental resource management most likely to be affected as it is the one most easily manipulated. This may be due to its composition of many parts, and past practice of reducing funding in small portions from many areas has created little agitation and met a net goal. There are two possible outcomes in dealing with the current situation.

Outcomes - without action

There is an immediate impact on equity issues. While the Board may be able to provide horizontal equity, the quality of education in this context available to students in terms of variety and range of usefulness for their futures will of necessity decrease, simply because there is insufficient funding to provide more than a basic range. There is a profound impact on vertical equity - the unequal treatment of unequals - as special categories (cultural and language-related for example) can no longer be considered

as part of the school curriculum. This results in a sink or swim situation for immigrants and seriously erodes Multiculturalism within the context of the Canadian Cultural Mosaic.

Outcomes - amelioration

The \$10.9 million budget reduction is a strong indicator that the Wentworth County Board of Education has very seriously attempted to trim its budget. In fact, it is one of the leanest budgets around. However, even if no further funding reductions are made there must still be a reduction in services due to increases in teacher salaries (if any), costs of services and equipment, and the Board's increasing need to maintain currency in communications systems. Pressures from parent and other interest groups to increase, or simply maintain quality in education are likely to be futile in their attempts to bring about results. In the long haul, schools will be besieged by increasingly frustrated and critical groups and will only be able to produce lower quality programs.

There is no rational cure for this situation as successive reductions of resources reduce administrators to a process of resource **allocation** rather than one of resource **management** (Giles, 1995). Paramount in importance in ameliorating what is fast becoming a critical situation is a need for provincial reform of budgeting preconditions and practice.

The need for provincial reform

As the case study of Wentworth County School Board has shown, 'death by a thousand cuts' is no way to run an educational service. Clearly, it is no longer possible for even medium size school boards (by Ontario Standards) to withstand successive budget reductions, a de facto cap on their ability to raise taxes, and the need to meet the demands of centrally mandated reforms which are not supported by additional resources. Simultaneous management of contraction and reform may be possible but not set against an anachronistic funding and administrative apparatus which is 'out of it's time' in the educational climate presently emerging in Ontario.

There seem to be three root causes to the problem of resource management in the Province. Firstly, the reduction in resources has been un-planned and incremental. Secondly the levels of reduction in resources

do not take into account the likely impact upon existing service standards, or the practicality of achieving mandated (but not fully costed and resourced) reforms already in the pipeline. Thirdly, the focus of the reduction in resources has been the school board, rather than the Provincial education system - a holistic view has not been a feature of resource management in the Province.

Revisions to the management of resources in Ontario

Before introducing popularist "solutions" such as restructuring the curriculum, and introducing province-wide arrangements for the testing of students, politicians and MOET officials need to decide how best to revise the administrative mosaic before more reform is mandated at school level. What follows, then, are a number of (by no means exhaustive) suggestions which aim to more closely align the need for reform with an administrative apparatus more in tune with providing the resources for hard pressed teachers to be effective, efficient, economic, but perhaps most importantly equitable in their work.

- * Establish a new means of funding education in the Province which, with the exception of tax rich large cities, is largely provided through local taxation (55.5% in 1990).
- * The Province should move towards a core pupil funding formula for all students which should realistically represent the average cost of educating a student and the fully costed expectations of the MOET. The formula may be age weighted in favour of younger students, with target funding projects a characteristic of the more senior grades.
- * In addition to core funding, a needs related element should be included to more closely reflect local conditions. This additional funding should consist of two parts. Firstly, an administrative addition to reflect additional costs such as heating, local building requirements, home-school transport, free school meals etc., and, secondly, an addition which would relate to student needs. Core and additional funding should reflect need and guaranteed province-wide service levels which are not subject to arbitrary political interference (for example, maximum class sizes).
- * Review the role and function of the 172 school boards which exist in Ontario. Define more clearly their **professional support role** in the educational service, in particular their responsibility for:
 - (a) quality control and assurance;
 - (b) staff development and personnel issues (human resource management);
 - (c) advice, support and guidance.
 - (d) customer service (complaints, support and advice) and marketing.
- * Reduce to a minimum the **administrative function** of the school boards. Many of these functions may be centralised at the MOET or at a very limited number of local "lean" MOET District Offices. Alternatively Provincial administration of education could be put out to tender and privatised within clearly identified MOET service standard guidelines. These could include grounds maintenance, school meals, school maintenance, school cleaning and supply teaching etc..

* Establish an independent Provincial Efficiency Savings Group (ESG) responsible for identifying and removing waste in the system. The ESG would serve two broad functions to investigate, report and recommend efficiency savings across the province in a similar way to the Audit Commission in Britain. Secondly to be responsible for managing specific province-wide efficiency projects, in such a way as to minimise disruption to schools, but maximise savings which can partly be offset against budget deficits and partly ploughed back into classrooms to improve service delivery. Specific projects which could be managed at the present time by such a body would include:

- (a) The phased merger of the 172 school boards in the Province to create larger, more cost efficient units.
- (b) Bringing together in unified boards the English public schools, French public schools, English separate schools and French separate schools to ensure maximum efficiency savings in terms of planning and support services to schools.
- (c) Establish a Provincial school supplies purchasing organisation.
- (d) Establish a Provincial school transport commission.
- (e) Standardise forms, procedures and statistical data collection. Ensure system wide integration of data collection through the development of an Ontario computer based management information system.

Conclusion

This paper recommends that Ontario manages into place a carefully thought through restructuring of the way that the resource interface is managed at provincial, school board and school levels. Calls for economies at school board level, as this example of Wentworth County has shown, will simply not deliver efficiency, effectiveness, economy and equity. If existing administrative structures are sustained we will inevitably see an unravelling of educational provision in Ontario, enormous disparities in both the level and quality of services on offer to students, and an inability to address a growing range of professional issues relating to equity which, hitherto, has been a cornerstone of integration and social cohesion in this province.

Bibliography

Bond, R. (Ed., 1995) The Atherton Papers: An historical review of educational fiscal policy analysis in Canada. Under review.

Giles, C. (1995). "Site-based planning and resource management: The role of the school development plan". Educational Change and Development. 15. 2. 45-50.

Hargreaves, D. (1994) "Changing Teachers, Changing Times: Teachers' Work and Culture in the Postmodern Age". Toronto, OISE Press.

Ontario Ministry of Education and Training (1994) "Royal Commission Report: For the Love of Learning". Toronto, Queen's Printer for Ontario.

Wentworth County Board of Education Annual Budget for 1995-96, 16th February 1995.

Appendix

The Wentworth County Board of Education budget for 1995 (Fall).

The following overall figures are compared with the highest overall figures over the past four years, and are in millions of dollars.

Salaries and wages

1992 - 77.2 1995 - 74.0

Employee benefits

1995 - 10.6. These have increased each year.

Travel

1991 - 0.18 1995 - 0.14

Business administration

1991 - 0.82 1995 - 0.76

Equipment

1991 - 0.15 1995 - 0.13. This includes insurance which has increased by 61.97% over five years.

General administration

1994 - 0.49 1995 - 0.4

Computer services

1991 - 0.34 1995 - 0.22

Superintendents of education

These figures include resource management, personnel training, staff development, public health services and school safety patrols, but not salaries.

1991 - 0.1 1995 - 0.1

Media centre

1991 - 0.63 1995 - 0.58

Program services

1991 - 0.47 1995 - 0.40

Communications

1994 - 0.25 1995 - 0.25

Regular day school costs

These include furniture and equipment, text and library books, classroom supplies, stationery costs, computer software, vocational education and core French program needs.

1991 - 4.7 1995 - 4.0

Continuing and community education

1991 - 0.2 1995 - 0.08

Co-operative education - personnel training

1991 - 0.028 1995 - 0.018

Plant operation

1995 - 2.96 This has been increasing every year. It includes a 15.5% increase in property insurance.

Plant maintenance

1994 - 1.33 1995 - 1.33

This has been increasing every year and includes a 72.48 increase in vehicle insurance.

Transportation

1991 - 7.74 1995 - 6.46 This includes special transport for exceptional students and home-school transport.

Tuition fees

1991 - 0.57 1995 - 0.48 This is composed of fees paid to other boards for special education services.

Capital non-allocable

1991 - 8.89 1994 - 4.43 1995 - a 100% decrease from 1994 This includes capital projects and capital improvement programs.

Debt charges and capital interest

1991 - 1.62 and has been around 2.5 since This includes debenture repayments and capital loan interest.

Other operating costs

1992 - 0.15 1995 - 0.13

Bank charges and interest

1991 - 0.01 1995 - 0.1

Total budget

1992 - 120.4 1995 - 109.5